

May 15, 2003

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises
Hearing entitled, "Retirement Security: What Seniors Need to Know about Protecting Their Futures"

Thank you, Mr. Chairman, for holding this important hearing. In today's climate of economic uncertainty, adequate nationwide education on retirement planning options is essential.

As many of our nation's "baby boomers" rapidly approach retirement age, the extent to which they evaluated their future financial and other needs, and saved or invested accordingly, will have a large impact on the efficiency of our nation's social security system. Consumers need to realize that perhaps the most important component of retirement planning is individual savings as social security benefits and employer pensions become less reliable. To the extent that individuals choose to invest those savings, greater financial education is necessary to determine what investment vehicle is best suited to their needs.

Adequate levels of insurance are another important consideration that must be emphasized in preparing for retirement. Many new products are now available to better manage healthcare needs later in life, such as long-term care insurance. Greater consumer education is necessary to educate the public on these new options and the best way to incorporate them into an overall retirement portfolio.

Given this subcommittee's oversight responsibility over the insurance industry, it is also important that we ensure that financial regulators remain informed on these new products and address any regulatory issues that may arise.

Thank you again, Mr. Chairman, for taking the lead on this issue and calling our distinguished witnesses before us today. I look forward to a very informative discussion.